

ADIDAS AMERICA, INC.,  
ADIDAS-SALOMON AG, ADIDAS  
INTERNATIONAL MARKETING BV,  
AND NIKE, INC.,  
  
Plaintiffs,  
  
v.  
  
FRED’S, INC., R. CLINE CO., INC. and  
RAY R. CLINE  
  
Defendants.

IT IS HEREBY STIPULATED AND AGREED by and between counsel of record for plaintiffs and defendants, with the parties having entered into a settlement agreement dated September 7, 2006 (the “Settlement Agreement”), that the claims of plaintiffs against the defendants be dismissed with prejudice, pursuant to Federal Rules of Civil Procedure §41(a)(1), without an award of costs or disbursements to any party.

IT IS FURTHER STIPULATED AND AGREED by and between counsel of record for plaintiffs and defendants that this stipulation and order of dismissal shall have no effect on any rights of the parties pursuant to paragraphs 8 and 10 of the Settlement Agreement, and shall not bar or preclude the exercise of such rights.

Dated: November 13, 2006

**AGREED TO BY:**

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*Attorneys for Defendant Fred's, Inc*

UNITED STATES DISTRICT JUDGE

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Judge Echols

DATE: